

OFFICE OF  
INSURANCE COMMISSIONER

In the Matter of	)	
	)	
ULTIMATE WARRANTY	)	
CORPORATION,	)	D06-274
	)	
A Motor Vehicle Service Contract	)	
Provider	)	ORDER TO CEASE AND DESIST
	)	
ANTHONY R. SCATENA, ERIC	)	
J. DOAK, MICHAEL L. CLARK,	)	
And EDUARDO M. JORDAN,	)	
	)	
Individual Respondents,	)	

Pursuant to RCW 48.02.080 and RCW 48.15.023, the Insurance Commissioner (OIC) orders the entity named above and its officers, directors, trustees, agents, employees, and affiliates ("Respondent") to immediately cease and desist from marketing, selling or otherwise issuing motor vehicle service contracts to Washington consumers by any means.

## THIS ORDER IS BASED ON THE FOLLOWING:

1. Ultimate Warranty Corporation ("Ultimate Warranty") issued 4,671 motor vehicle service contracts in Washington State between January 1, 2005 and August 31, 2006.
2. Ultimate Warranty filed its service contract reimbursement policy form with the Office of the Insurance Commissioner ("OIC") on or about December 6, 2005. The insurer on that form was American Resources Insurance Company ("ARIC"), a company without a certificate of authority authorizing it to transact insurance in Washington. ARIC issued a service contract reimbursement policy to Ultimate Warranty effective October 1, 2005.
3. The OIC informed Ultimate Warranty by letter dated December 19, 2005 that ARIC was not authorized to issue insurance in Washington.
4. By letter dated January 23, 2006, Ultimate Warranty acknowledged to OIC that it knew that ARIC was not authorized to transact insurance in Washington.
5. By letters to Ultimate Warranty and ARIC, both dated January 30, 2006, the OIC again explained the requirements of RCW 48.96.

6. ARIC responded by letter dated February 2, 2006, stating that it had not and would not issue reimbursement policies covering any of Ultimate Warranty's service contracts in Washington, acknowledging that to do so would violate Washington law.

7. Between October 1, 2005 and August 31, 2006, Ultimate Warranty continued issuing vehicle service contracts in Washington State with reimbursement coverage allegedly provided by ARIC. ARIC paid 770 claims on behalf of Ultimate Warranty's service contract holders in Washington.

8. Respondents' above-described conduct violates RCW 48.15.020(2)(b), RCW 48.96.020, RCW 48.96.060 and RCW 19.86.020.

IT IS FURTHER ORDERED that Respondent replace all insurance improperly issued by an unauthorized insurer covering Washington state risks with a policy issued by an authorized insurer pursuant to RCW 48.15.020. Respondent shall fulfill the terms of contracts formed prior to the effective date of this Order pursuant to RCW 48.15.020(2)(b) until such contracts are so replaced.

Any violation of the terms of this Order by Respondent, its officers, directors, agents, or affiliates, will render the violator(s) subject to the full penalties authorized by RCW 48.02.080, RCW 48.15.023, and other applicable Code sections.

Respondent has the right to demand a hearing pursuant to chapters 48.04 and 34.05 RCW. This Order shall remain in effect subject to the further order of the commissioner.

THIS ORDER IS EFFECTIVE IMMEDIATELY and is entered at Tumwater, Washington, this 22<sup>nd</sup> day of September 2006.

MIKE KREIDLER  
Insurance Commissioner

By: Marcia G. Stickler  
Marcia G. Stickler  
Legal Affairs Division  
Office of Insurance Commissioner  
State of Washington

**DECLARATION OF MAILING**

I declare under penalty of perjury  
under the laws of the State of  
Washington that on the date listed  
below I mailed or caused delivery

of a true copy of this document to

Ultimate Warranty Corp  
Anthony Scatena Michael Clark  
DATED this 22<sup>nd</sup> day of September 2006  
Edward Jordan

at Olympia, Washington.

Signed: Dodie Thompson